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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

information report

CD NO.

COUNTRY Philippines

DATE DISTR. 24 August 1950

SUBJECT Effects on Philippine Waterfront Labor of New

Type Stevedoring Contract

NO. OF PAGES 2

PLACE

25X1A

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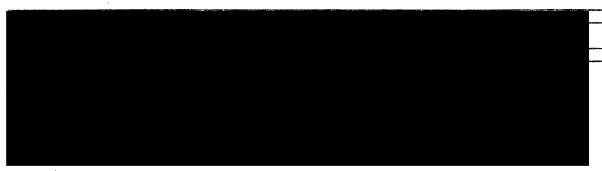
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SUPPLEMENT TO REPORT NO.

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INFO.

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- The award of a US Army contract to the Delgado Brothers* was a forward step for rank and file Philippine labor, since for the first time, laborers are now receiving their entire wages rather than the portion they formerly received while the remainder was withheld by union leaders for their personal benefit.
- 2. Army officials have reported that this new development is resulting in a saving of approximately \$1,500,000 annually on this contract as a result of having eliminated the usual padding practiced by union leaders. As an example of this padding, Army officials cited a typical case in which 20 men are listed as working, whereas only 14 are on duty. The wages for 20 men are collected by union leaders, and they pocket the wages of six laborers.
- The US Navy plans to place the same clause in a contract soon to be awarded to the Luzon Stevedoring Company. **
- The Union de Obreros Estivadores de Filipinas (UOEF)*** is strictly a companycontrolled union. Rank and file laborers are so impressed with receiving a full day's wages for the first time that they are now aware of the extent to which their union leaders have exploited them. Thus it is natural that they are now testifying against them. ****
- 5. Since the present situation began, the UOEF has shot at least one union leader working on the Delgado contract and has beaten at least one other. *****

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Review

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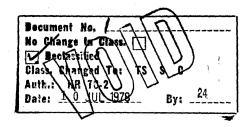
STATE

ARMY

Comment. The Delgado Brothers' stevedoring firm is a local company organized by US Armed Forces Far East (USAFFE) veterans. The UOEF objected to the award of a US Army contract to this firm for handling cargoes at the US Military Port, Manila. The UOEF disputes a clause in the contract providing direct payment to workers instead of payment through labor leaders of the stevedoring union. 25XIA

Comment. A closed shop agreement exists between the Luzon Stevedoring Company, of which Chick Parsons is President, and the UOEF, giving the UOEF a virtual monopoly on all dock work in the Philippines.

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CENTRAL INTELLIGENCE AGENCY

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Comment. Although the UOEF has been strongly anti-Communist, there were indications in mid-1949 that a Communist group may have been formed within the organization.

* Members of the UOEF are testifying against the union in a case currently before the Philippine Court of Industrial Relations. 25X1A

may have infiltrated the Union Maritima which won the bid to unload military aid supplies from the US in Manila. The contract requires that a total of 1,200 laborers is necessary for the job, and since the Union Maritima has a total strength of approximately 300, it was obliged to secure laborers from available sources. However, it was observed that the report may have been planted by persons interested in discrediting the Union Maritima. 25X1A

Comment. The belief that the present Philippine labor unions are losing their control, resulting in a situation that may be ideal for Communist penetration, is unfounded. The time for the Communists to take over labor in the Philippines is less auspicious now than it was formerly. While the Communists could move in, now is an appropriate time for honest and progressive labor leaders to organize unions that actually benefit laborers.

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